

House Study Bill 314

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
APPROPRIATIONS BILL BY
CHAIRPERSON OLDSO)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act authorizing the state board of regents to borrow moneys
2 and issue revenue bonds to finance the costs of certain
3 building and facility improvement programs.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2919YC 82
6 ak/gg/14

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1 1 Section 1. STATE BOARD OF REGENTS BONDING.
1 2 1. FINDINGS. The general assembly finds that:
1 3 a. The state board of regents has approved a buildings and
1 4 facilities improvement program for the institutions of higher
1 5 learning under the jurisdiction of the board, which the board
1 6 deems necessary to further the educational objectives of the
1 7 institutions, together with an estimate of the cost of each of
1 8 the buildings and facilities.
1 9 b. The projects contained in the buildings and facilities
1 10 improvement program are deemed necessary for the proper
1 11 performance of the instructional, research, and service
1 12 functions of the institutions.
1 13 c. Section 262A.4 provides that the state board of
1 14 regents, after authorization by a constitutional majority of
1 15 each house of the general assembly and approval by the
1 16 governor, may undertake and carry out at the institutions of
1 17 higher learning under the jurisdiction of the board any
1 18 project as defined in chapter 262A.
1 19 d. Chapter 262A authorizes the state board of regents to
1 20 borrow moneys and to issue and sell negotiable revenue bonds
1 21 to pay all or any part of the cost of carrying out projects at
1 22 any institution payable solely from and secured by an
1 23 irrevocable pledge of a sufficient portion of the student fees
1 24 and charges and institutional income received by the
1 25 particular institution.
1 26 e. To further the educational objectives of the
1 27 institutions, the state board of regents requests
1 28 authorization to finance certain costs of the capital
1 29 improvement program by borrowing moneys and issuing negotiable
1 30 bonds under chapter 262A in a total amount as provided in this
1 31 section, with the remaining costs of the projects to be
1 32 financed by appropriations or by federal or other funds
1 33 lawfully available.
1 34 2. AUTHORIZATION OF PROJECTS. The state board of regents
1 35 is authorized to undertake, plan, construct, improve, repair,
2 1 remodel, furnish, and equip, and otherwise carry out the
2 2 following projects at the institutions of higher learning
2 3 under the jurisdiction of the board at a cost not to exceed
2 4 the following amounts:
2 5 a. State university of Iowa:
2 6 \$ 35,900,000
2 7 Of the amount authorized in this lettered paragraph,
2 8 \$18,700,000 shall be allocated to the college of public health
2 9 academic building.
2 10 Of the amount authorized in this lettered paragraph,
2 11 \$4,200,000 shall be allocated to the renovation of the old
2 12 music building.
2 13 Of the amount authorized in this lettered paragraph,
2 14 \$13,000,000 shall be allocated for renewal and HVAC
2 15 modernization of the pentacrest.
2 16 Any balance remaining in a project fund after a project is
2 17 completed may be expended for fire and environmental safety,

2 18 deferred maintenance, or campus security improvements at the
2 19 buildings and facilities of the institution as deemed
2 20 necessary by the state board of regents.
2 21 b. Iowa state university of science and technology:
2 22 For chemistry building facilities:
2 23 \$ 53,900,000
2 24 Any balance remaining in the project fund after the project
2 25 is completed may be expended for fire and environmental
2 26 safety, deferred maintenance, or campus security improvements
2 27 at the buildings and facilities of the institution as deemed
2 28 necessary by the state board of regents.

2 29 c. University of northern Iowa:
2 30 \$ 17,600,000
2 31 Of the amount authorized in this lettered paragraph,
2 32 \$5,800,000 shall be allocated for phase II of the electrical
2 33 distribution loop system load break.

2 34 Of the amount authorized in this lettered paragraph,
2 35 \$11,800,000 shall be allocated for the renovation of Sabin
3 1 hall.

3 2 Any balance remaining in a project fund after a project is
3 3 completed may be expended for fire and environmental safety,
3 4 deferred maintenance, or campus security improvements at the
3 5 buildings and facilities of the institution as deemed
3 6 necessary by the state board of regents.

3 7 d. For fire and environmental safety, deferred
3 8 maintenance, and campus security improvements at buildings and
3 9 facilities of the universities as deemed necessary by the
3 10 state board of regents:

3 11 \$ 24,000,000
3 12 3. AUTHORIZATION OF BORROWING AND BONDING.

3 13 a. The general assembly authorizes the state board of
3 14 regents to borrow moneys and to issue and sell negotiable
3 15 revenue bonds in the amount of \$131,400,000 in the manner
3 16 provided in sections 262A.5 and 262A.6 in order to pay all or
3 17 any part of the costs of carrying out the projects at the
3 18 institutions approved and authorized in subsection 2, with the
3 19 remaining costs of the projects to be financed by
3 20 appropriations or by federal or other funds lawfully
3 21 available. The amount of bonds may be exceeded by the amount
3 22 the state board of regents determines to be necessary to
3 23 capitalize bond reserves, interest during construction, and
3 24 issuance costs. No commitment is implied or intended by
3 25 approval to fund any portion of the buildings and facilities
3 26 improvement program beyond the portion that is financed and
3 27 approved by the Eighty-second General Assembly, 2007 Session,
3 28 and the governor.

3 29 b. In light of this bonding authorization, the state board
3 30 of regents shall not request additional state capital funding
3 31 for its universities for new academic buildings through the
3 32 fiscal year ending June 30, 2013. Capital projects already
3 33 receiving some state dollars, new infrastructure projects
3 34 resulting from economic development initiatives, and projects
3 35 for deferred maintenance, fire safety, or campus security
4 1 improvements are excluded from this funding restriction.

4 2 EXPLANATION

4 3 This bill authorizes the state board of regents, pursuant
4 4 to Code chapter 262A, to borrow moneys and to issue and sell
4 5 negotiable revenue bonds to pay all or part of the cost of
4 6 certain building and facility improvement projects at its
4 7 institutions of higher education, payable solely from student
4 8 fees and charges and institutional income. The bill
4 9 authorizes the state board of regents to carry out the
4 10 following projects at the following institutions:

4 11 1. University of Iowa: college of public health academic
4 12 building; old music building renovation; pentacrest renewal
4 13 and HVAC modernization. The total amount of spending
4 14 authorized is \$35.9 million.

4 15 2. Iowa state university of science and technology:
4 16 chemistry building facilities. The total amount of spending
4 17 authorized is \$53.9 million.

4 18 3. University of northern Iowa: phase II of the
4 19 electrical distribution loop system load break and Sabin hall
4 20 renovation. The total amount of spending authorized is \$17.6
4 21 million.

4 22 4. Fire and safety, deferred maintenance, and campus
4 23 security improvements at buildings and facilities of the
4 24 universities as deemed necessary by the board. The total
4 25 amount of spending authorized is \$24 million.

4 26 LSB 2919YC 82

4 27 ak:rj/gg/14